

The image shows a spiral-bound notebook. The left page is white and contains the page number '8'. The right page has a teal background and features a blue rectangular box with the title 'The Benefits of "Do-It-Yourself" Vanpooling' in white text. Above the text box is a small illustration of a gear or a mechanical part. The notebook's spiral binding is visible in the center.

## **The Benefits of “Do-It-Yourself” Vanpooling**

## Vanpooling Benefits Owners and Riders

**T**here are many benefits to the owner-operator of a vanpool, including shared expenses, tax breaks, possible employer incentives, preferential parking, convenience, use of High Occupancy Vehicle (HOV) lanes, and more. Most of the benefits for the owner-operator are also benefits for the riders.

### Shared Expenses

Vanpoolers usually share the total cost of their vanpool's operation. The driver traditionally rides for free. As the owner-operator, you can charge your riders fares based on your total commuting expenses. Your expenses may include:

#### *Fixed Costs*

- the lease/purchase payment
- depreciation
- insurance

- registration/licensing
- scheduled and unscheduled maintenance

#### *Operating Costs*

- gasoline
- oil
- tires and chains
- parking and tolls

By sharing expenses, your riders help you buy or lease and operate the van, while at the same time, they save money over what it would cost them to commute alone. This guide is written for those who wish to operate vanpools that recover only the fixed and operating costs of the vanpool. If you are contemplating operating a vanpool for a profit, consider federal income tax implications and local business license requirements. When fares are charged to make a profit, the vehicle is no longer considered a vanpool, but is classified as "for hire," and different state laws apply.

## ESTIMATED MONTHLY COSTS OF COMMUTING

<i>Round Trip Miles</i>	<i>Drive Alone</i>	<i>Carpool*</i>	<i>Vanpool**</i>	<i>Vanpool Driver</i>
30	\$248	\$ 83	\$38	\$0
40	\$331	\$110	\$50	\$0
50	\$414	\$138	\$63	\$0
60	\$496	\$165	\$76	\$0
70	\$579	\$193	\$88	\$0
80	\$662	\$220	\$101	\$0

\* 3 paying riders

\*\* 7 paying riders in an 8-passenger van

Calculations taken from American Automobile Association's 1994 Your Driving Costs.

Costs are based on vehicles travelling 15,000 miles per year and includes all operating and ownership costs.

The chart above illustrates some estimated costs of driving alone, carpooling, and vanpooling. You'll note that as travel distance increases, the value of commuting by vanpool increases. The figures represented under "Drive Alone" are based on an intermediate size car, 21 commuting days a month, and an average cost of 39.4 cents per mile. The vanpool figures are based on seven passengers, 21 commuting days a month, and a cost of 42.1 cents per mile in an eight-passenger van. If a

twelve or fifteen passenger van is used, the savings are even more dramatic.

To help you determine your driving costs, you may wish to consult your local American Automobile Association(AAA) for a copy of Your Driving Costs, which is updated annually. This brochure compares driving costs of several sizes of vehicles and explains in detail how to determine the costs of operating your own vehicle.

## Tax Breaks

The Washington State Legislature has exempted from state sales tax (or use tax if the van is leased or purchased used) vans purchased for the primary purpose of ridesharing with seven to 15 people. This is a savings of about \$1,600 on a \$20,000 van. All vans used primarily for vanpooling, including one you may currently own, are exempt from motor vehicle excise tax—an initial savings of about \$500 on a new van. The savings can add up quickly, but there is one cautionary note—the van must be used primarily to vanpool for the following 36 months after exemption, or you must pay the full amount of the tax from which you were exempted. And, the owner is responsible for registering with the state in order to qualify for exemptions. See Chapter Three and Appendices B and C for more information about exemptions.

## Low Cost Personal Use

The fares the owner-operator

collects from riders for vanpool service are to cover the expenses of owning and operating the van for the commute portion of use, which could cover up to 75 percent of the van's expenses. As a result, the owner's commuting costs are virtually eliminated. And, you have a personal vehicle for your leisure use which costs only a fraction of its usual price.

## High Occupancy Vehicle (HOV) Lanes

Vanpools are entitled to use "Transit and Carpool" HOV lanes and ramps (except for special "transit only" lanes where marked). When you see the diamond symbol, take advantage of the lane as long as you have the minimum number riding (usually two). A few HOV lanes and ramps require three persons in your vehicle and will be so posted. This access can result in substantial time savings, because the traffic flows more freely in HOV lanes. It has been estimated that you will enjoy a 35

percent fuel savings over what you'd experience traveling in the congested general purpose lanes. In Washington State, most HOV lanes are located in the urban Puget Sound region.

### **Ferry Discounts and Loading Privileges**

Vanpools can also take advantage of the Washington State Ferry System's Guaranteed Loading Program at designated terminals. These "ferry fast lanes" give priority loading privileges to registered carpools and vanpools during peak commute hours. Vehicles used by five or more people are eligible for these loading privileges for a cost of \$10 for one year (carpools of three or four can also get loading privileges without the discount.) This eligibility applies to both public and private vanpools.

Once a vanpool has registered and obtained the required pass and ferry permit, the driver and passengers pay only the walk-on fare. Although a minimum of four

fares are required for the vanpool to board the ferry, the vehicle can be loaded with only one rider when others are being picked up on board. This savings alone can result in more than \$1,000 per van each year. For additional information or applications contact: Planning Division, Washington State Ferries, Colman Dock/Pier 52, Seattle, Washington 98104-1487 or call 206/464-6155.

### **Park & Ride Lots**

There are Park and Ride lots established at many locations throughout the state where you can meet your riders and they may leave their cars without charge for the work day. For information on these lots, contact your local transit agency or local Washington State Department of Transportation regional office listed in Appendix A.

### **Lower Insurance Rates**

Remember that personal car you once used for the commute to and from work? Because you're no longer using

it for commuting, you and your vanpool riders may be able to get a lower insurance rate. Check with your insurance agent about potential savings. See Chapter Four for information about obtaining insurance for vanpools.

### **Employer-Sponsored Benefits**

Many employers offer incentives for employees who share their rides to work and participate in company-sponsored transportation programs. These incentives may include covering some or all of the participants' vanpool fares to providing convenient, preferential parking at the work site. Check with your Employee Transportation Coordinator or human resources department to find out what types of transportation benefits your organization offers.

### **Convenience**

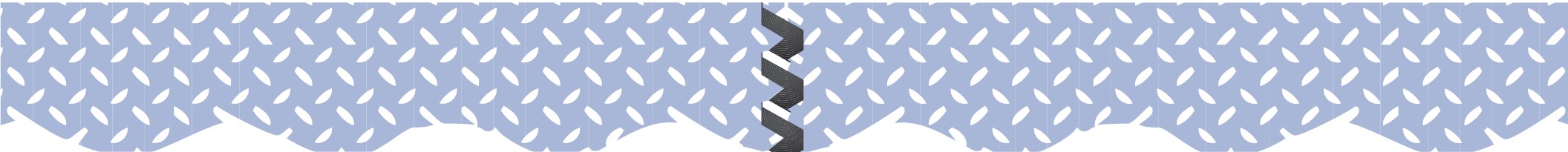
Vanpools are a convenient, reliable, enjoyable mode of transportation. Vanpooling can be flexible to meet the unique

requirements of your commute route and riders. This means greater convenience for all involved. As an owner-operator, you determine participants, travel times, routes, and fares, and you can adjust these as the need arises. Plus, you travel in the comfort of your own vehicle.

### **Vanpooling Benefits the Community**

The community benefits from those who vanpool in many ways, including:

- Reduced traffic congestion. Each vanpool has the potential to take up to fourteen cars off the road each day. Taking those vehicles off the road also means reduced air pollution.
- Better use of land and existing resources. By vanpooling, you'll use up to fourteen fewer parking spaces, lessening the probability that more parking lots will have to be built.
- Energy conservation and reduced dependence on imported energy supplies. One fifteen-passenger van



commuting the same distance as fifteen automobiles consumes considerably less fuel.

Employers benefit from vanpooling, too. Hundreds of companies across the United States have employees who commute to work by vanpool. Some have their own vanpool fleets. Among the benefits they cite are:

- Reduced employee turnover, increased productivity, decreased absenteeism, reduced tardiness, reduced parking costs at facilities, and improved morale.
- An inexpensive employee benefit. Some employers formally recognize their vanpooling commuters, and they benefit from a feeling of corporate good will. Many companies use vanpools as a recruitment tool.
- An efficient way to meet Commute Trip Reduction requirements. For those companies in counties affected by Washington State's Commute Trip Reduction Law, offering

vanpool incentives is an efficient way to meet their requirements to eliminate single occupant trips to the worksite. (See Appendix C for Commute Trip Reduction Law overview, RCW 70.94.521.)

- Individuals benefit from vanpooling in many ways:
- Less stress associated with commuting. Vanpool passengers can sit back and leave the driving to someone else. They can use their commute time to relax or to catch up on sleep, reading, talking, or paperwork.
- Reduced commuting costs. Vanpoolers spend far less of their take-home pay for such necessities as gasoline, parking, vehicle maintenance, depreciation, and insurance. Vanpoolers share the cost of commuting, and the more riders in the van, the greater the savings to the individuals.
- More free time and new acquaintances. In the urban areas where High Occupancy Vehicle (HOV)

lanes are available, vanpools enjoy a faster commute. Vanpoolers also form friendships and networks with their fellow passengers, a bonus simply not available to the person who drives alone.

- Employer Incentives. Many employers provide financial incentives and priority parking spaces as part of their employee transportation programs.